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Order Instituting Rulemaking to Consider  
Alternative-Fueled Vehicle Programs, Tariffs,  
and Policies.

Rulemaking 13-11-007  
(Filed November 14, 2013)

**AMENDED SCOPING MEMO AND RULING OF THE ASSIGNED  
COMMISSIONER AND ADMINISTRATIVE LAW JUDGE**

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**AMENDED SCOPING MEMO AND RULING OF THE ASSIGNED COMMISSIONER  
AND ADMINISTRATIVE LAW JUDGE**

**Summary**

Today's amended scoping memo and ruling (amended scoping ruling) adds the transportation electrification issues contained in Senate Bill (SB) 350 to this proceeding, as well as re-prioritizes activities for the rulemaking given recent electric vehicle (EV) related decisions. This amended scoping ruling also sets forth a schedule for addressing the transportation electrification issues, and the remaining issues in this proceeding.

This amended scoping memo and ruling also denies the November 19, 2015 "Joint Motion for a New Track Focused on EV Education and Outreach" (Joint Motion) that was filed by the Green Power Institute (GPI), and the Joint Minority Parties.<sup>1</sup>

**1. Background**

**1.1. Initiating Order Instituting Rulemaking**

This Order Instituting Rulemaking (R. or Rulemaking) was originally opened to address issues relating to expanding the use of alternative-fueled vehicles (AFV) in California. In particular, the Rulemaking was opened to continue the work that was started in R.09-08-009 to support the Governor's Executive Order B-16-2012, which set a target of 1.5 million zero-emission vehicles (ZEVs) on California roads by 2025.<sup>2</sup> In addition, the Commission was

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<sup>1</sup> The Joint Minority Parties represents members of the National Diversity Coalition, including the National Asian American Coalition, the Ecumenical Center for Black Church Studies, the Jesse Miranda Center for Hispanic Leadership, Christ Our Redeemer AME Church, National Hispanic Christian Leadership Conference, Orange County Interdenominational Alliance, and the Los Angeles Latino Chamber of Commerce.

<sup>2</sup> In R.09-08-009, the Commission took steps to develop charging infrastructure. In Decision (D.) 11-07-029, the Commission established the requirements for the large electric utilities to develop rules to incorporate customer owned submeters into the utilities billing and metering

identified by the ZEV Action Plan as the lead agency on several action items contained in that plan.

When this Rulemaking was originally opened, the Commission identified two initial policy-focused tracks. The first track is to “evaluate the potential and value of vehicle-grid integration (VGI), including the use of vehicle batteries for demand response and energy storage.” The second track is to “focus on the development of new AFV tariffs in each of the three largest [investor owned utility] service territories, “ which “may include new rate designs for plug-in electric and natural gas vehicles, including light-duty and medium/heavy-duty vehicles, and policies for residential, multi-family, workplace and fleet [plug-in electric vehicle (PEV)] charging.” (R.13-11-007 at 14.)

In addition, the Rulemaking is to “address outstanding issues from the previous AFV rulemaking, R.09-08-009, including development and deployment of a submetering protocol and cost allocation related to distribution system upgrades under Electric Rules 15 and 16.” (R.13-11-007 at 14.)

## **1.2. July 16, 2014 Scoping Memo and Ruling**

Following the prehearing conference (PHC) of February 26, 2014 in this Rulemaking, a scoping memo and ruling was issued on July 16, 2014 (July 16, 2014 scoping ruling). The scoping ruling determined that three phases would be conducted for this Rulemaking, instead of the two tracks that were identified originally in the Rulemaking.

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systems. Submetering is viewed as an important step in facilitating PEV charger installations at multi-unit dwellings. After two workshops and two extensions, the Commission in D.13-11-002 adopted a pilot for the large electric utilities to develop submetering pilot programs.

### **1.2.1. Phase 1**

As described in the July 16, 2014 scoping ruling, the first phase was to continue the submetering pilot programs authorized in R.09-08-009, and to develop VGI programs.

To direct and focus the policy development of AFV programs in Phase 1, certain guiding principles were proposed to apply to all the activities within the scope of this Rulemaking. The July 16, 2014 scoping ruling stated that “Guiding Principles will be adopted in a Phase 1 Interim Decision to use as direction when considering policy, rules, regulations and tariff design throughout all phases of this proceeding, including all Phase 1 policy and program design activities,” and that the parties would have an opportunity to comment on these proposed Guiding Principles.

To consider other ongoing AFV-related proceedings, pilot programs, and compliance activities, a ruling was issued on June 3, 2014 requesting that the utilities file a Joint Statement of Related Proceedings. The July 16, 2014 scoping ruling at page 7 stated that Phase 1 would explore how to utilize “the best practices developed and lessons learned from the results of the AFV pilot programs currently underway.”

For the issues related to grid infrastructure, the July 16, 2014 scoping ruling stated at page 8 that: “Phase 1 of this proceeding will include the issue of how the utilities can facilitate PEV infrastructure development,” and that comments would be taken on the role that utilities may take, as well as other proposals for how the utilities could serve these market segments.

With respect to customer education and outreach, the July 16, 2014 scoping ruling recognized that the utilities are currently authorized by D.11-07-029 in R.09-08-009 to provide information about the availability, cost, and

environmental impacts of EVs, and that D.11-07-029 adopted guidelines to define the scope of the utilities' role in PEV education and outreach. The July 16, 2014 scoping ruling stated at page 9 that Phase 1 would "take comment on near-term, low cost solutions to accelerate the electric vehicle market including the education and outreach needs to support further electric vehicle adoption," and that it would "be important to hear whether existing resources are available for education and outreach activities and what additional resources may be needed."

The July 16, 2014 scoping ruling also recognized that the rate design element of demand charges could pose a barrier for customers pursuing transportation electrification, such as transit fleet operators. The July 16, 2014 scoping ruling at page the acknowledged that this rate policy may need refinement, and that the Rulemaking would allow "for more input to determine whether to mitigate current demand charge levels and if so, how to do so."

The July 16, 2014 scoping ruling also determined that Phase 1 of the Rulemaking would develop the policy and regulatory framework for developing VGI pilot programs, examine the appropriate criteria to evaluate their potential continuation, and to gather data from these pilot programs for future cost-benefit assessments.

The above Phase 1 activities were then set forth into a 13 point statement of issues at pages 13 to 15 of the July 16, 2014 scoping ruling. The July 16, 2014 scoping ruling contemplated that there would be two decisions to address this statement of issues. The first decision was to address issues 1 through 5, while the second decision was to address issues 6 through 13.

### **1.2.2. Phases 2 and 3**

For the second and third phases, the July 16, 2014 scoping ruling at page 17 stated the Rulemaking would consider the expanded development of VGI resources:

“In Phase 2, the Commission will continue to answer the questions posed in the [Energy Division] White Paper [attached to the Rulemaking] regarding regulatory barriers (other than demand charges considered in Phase 1), defining the vehicle resource, the utility’s role in aggregation, capturing grid benefits and further refining VGI services priorities. The Commission will also seek to better understand the value of various VGI applications, taking into account charging levels, battery capacity and resource flexibility.”

In addition, Phase 2 would examine how to integrate PEVs with the evolving rules and regulations for demand response and energy storage. Phase 2 would also consider vehicle to grid “applications that back-feed electricity beyond the primary utility meter, including ‘battery second life.’”

The PEV submetering protocol and pilots were included within R.13-11-007, but was not specifically referenced in the three phases.

The July 16, 2014 scoping ruling described Phase 3 as addressing the rate and cost allocation issues for the priority customer sectors, bidirectional power flow programs or pilots, and program design and implementation guidance for Use Cases 1, 2, and 3 that were identified in the White Paper.

### **1.2.3. Workshops**

Energy Division has held several workshops on various issues within the Rulemaking. These workshops included discussions on the following topics:

1. VGI and financing (December 4, 2013).
2. PEV submetering pilots pursuant to D.13-11-003 (July 23, 2014).
3. The basics of cost-effectiveness analysis (March 6, 2015).

4. PEV infrastructure site selection (June 10, 2015).
5. PEV infrastructure metrics and data guidelines (June 16, 2015).

### **1.3 Utility Involvement In Transportation Electrification**

Following the July 16, 2014 scoping ruling, and comments on the Phase 1 issues, the Commission adopted D.14-12-079. In that decision, the Commission set aside the prohibition in D.11-07-029 that prevented electric utilities from owning PEV charging infrastructure. Instead, D.14-12-079 determined that a case-specific approach would be used to evaluate whether an electric utility could own EV charging infrastructure. D.14-12-079 also determined that the criteria discussed in that decision, as well as the balancing test set forth in D.11-07-029, would be used to decide whether an electric utility could own EV charging infrastructure.

Prior to the issuance of D.14-12-079, two EV charging infrastructure pilot program applications were filed with the Commission. San Diego Gas & Electric Company (SDG&E) filed Application (A.) 14-04-014, and Southern California Edison Company (SCE) filed A.14-10-014.<sup>3</sup> Following the issuance of D.14-12-079, Pacific Gas and Electric Company (PG&E) filed its EV charging proposal in A.15-02-009. The Commission addressed the EV applications of SCE and SDG&E in D.16-01-023, and D.16-01-045, respectively. The Commission is currently considering PG&E's supplemental proposal to its application.<sup>4</sup>

In 2015, the California Legislature enacted SB 350, which was signed by the Governor, and enacted into law in Chapter 547 of the Statutes of 2015. SB 350

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<sup>3</sup> In the September 29, 2014 scoping memo and ruling (September 29, 2014 scoping ruling), SDG&E's A.14-04-014 was consolidated with R.13-11-007. In addition, the September 29, 2014 scoping ruling recognized the overlapping issues in A.14-04-014 and R.13-11-007.

<sup>4</sup> In a June 16, 2015 ruling in A.15-02-009, PG&E was directed to supplement its application with a proposal outlining a more phased approach to deployment.



added new sections to the Public Utilities Code regarding transportation electrification.<sup>5</sup> Public Utilities Code §740.12 makes several findings and declarations as to why widespread transportation electrification is needed. In addition, the Commission was directed in subdivision (b) of that code section, to consult with the State Air Resources Board (ARB) and the Energy Commission, and to direct the “electrical corporations to file applications for programs and investments to accelerate widespread transportation electrification...”

Due to ongoing work in other proceedings, and the assignment to ALJ Wong of R.13-11-007 on April 24, 2015, some of the remaining issues in Phase 1, and the issues identified as Phase 2 and Phase 3 issues have not been addressed within the procedural schedule set forth in the July 16, 2014 scoping memo and ruling in R.13-11-007. With the Commission adoption of D.14-12-079, D.16-01-023, and D.16-01-045, many of the issues identified as part of the Phase 1 issues have been addressed in those three decisions, or will be addressed in the future as a result of the evaluations of the SCE and SDG&E EV pilot programs.

The scoping of the issues in this Rulemaking need to be amended to reflect the SB 350 transportation electrification issues, and to reflect the remaining work that still needs to be resolved.

## **2. SB 350 Transportation Electrification Issues**

SB 350 took effect on January 1, 2016. In section 32 of Chapter 547 of that legislation, transportation electrification issues were added to the Public Utilities Code in §740.12. As set forth in that code section, transportation electrification is

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<sup>5</sup> Public Utilities Code Section 237.5, which was added by SB 350, defines transportation electrification to mean “the use of electricity from external sources of electrical power, including the electrical grid, for all or part of vehicles, vessels, trains, boats, or other equipment that are mobile sources of air pollution and greenhouse gases and the related programs and charging and propulsion infrastructure investments to enable and encourage this use of electricity.

tied to, among other things, the goal of reducing greenhouse gases, and to achieve the goals of the Charge Ahead California Initiative as provided for in the Health and Safety Code Sections 44258 and 44258.4.<sup>6</sup>

In Public Utilities Code § 740.12(a)(1), the Legislature finds and declares all of the following:

- a) Advanced clean vehicles and fuels are needed to reduce petroleum use, to meet air quality standards, to improve public health, and to achieve greenhouse gas emissions reduction goals.
- b) Widespread transportation electrification is needed to achieve the goals of the Charge Ahead California Initiative (Chapter 8.5 (commencing with Section 44258) of Part 5 of Division 26 of the Health and Safety Code).
- c) Widespread transportation electrification requires increased access for disadvantaged communities, low- and moderate-income communities, and other consumers of zero-emission and near-zero-emission vehicles, and increased use of those vehicles in those communities and by other consumers to enhance air quality, lower greenhouse gases emissions, and promote overall benefits to those communities and other consumers.
- d) Reducing emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050 will require widespread transportation electrification.

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<sup>6</sup> Health and Safety Code § 44258.4(b) states in part: “The goals of this initiative are to place in service at least 1,000,000 zero-emission and near-zero-emission vehicles by January 1, 2023, to establish a self-sustaining California market for zero-emission and near-zero-emission vehicles in which zero-emission and near-zero-emission vehicles are a viable mainstream option for individual vehicle purchasers, businesses, and public fleets, to increase access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles, and to increase the placement of those vehicles in those communities and with those consumers to enhance the air quality, lower greenhouse gases, and promote overall benefits for those communities and consumers.”

- e) Widespread transportation electrification requires electrical corporations to increase access to the use of electricity as a transportation fuel.
- f) Widespread transportation electrification should stimulate innovation and competition, enable consumer options in charging equipment and services, attract private capital investments, and create high-quality jobs for Californians, where technologically feasible.
- g) Deploying electric vehicles should assist in grid management, integrating generation from eligible renewable energy resources, and reducing fuel costs for vehicle drivers who charge in a manner consistent with electrical grid conditions.
- h) Deploying electric vehicle charging infrastructure should facilitate increased sales of electric vehicles by making charging easily accessible and should provide the opportunity to access electricity as a fuel that is cleaner and less costly than gasoline or other fossil fuels in public and private locations.
- i) According to the State Alternative Fuels Plan analysis by the Energy Commission and the [ARB], light-, medium-, and heavy-duty vehicle electrification results in approximately 70 percent fewer greenhouse gases emitted, over 85 percent fewer ozone-forming air pollutants emitted, and 100 percent fewer petroleum used. These reductions will become larger as renewable generation increases.

In Public Utilities Code §740.12(a)(2), the Legislature established:

- (2) It is the policy of the state and the intent of the Legislature to encourage transportation electrification as a means to achieve ambient air quality standards and the state's climate goals. Agencies designing and implementing regulations, guidelines, plans, and funding programs to reduce greenhouse gas emissions shall take the findings described in paragraph (1) into account.

Public Utilities Code §740.12(b) provides:

“The commission, in consultation with the [ARB] and the Energy Commission, shall direct electrical corporations to file applications for programs and investments to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative (Chapter 8.5 (commencing with Section 44258) of Part 5 of Division 26 of the Health and Safety Code), and reduce emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050. Programs proposed by electrical corporations shall seek to minimize overall costs and maximize overall benefits. The commission shall approve, or modify and approve, programs and investments in transportation electrification, including those that deploy charging infrastructure, via a reasonable cost recovery mechanism, if they are consistent with this section, do not unfairly compete with nonutility enterprises required under Section 740.3, include performance accountability measures, and are in the interests of ratepayers as defined in Section 740.8.”

Public Utilities Code Section 740.12(c) provides:

“The commission shall review data concerning current and future electric transportation adoption and charging infrastructure utilization prior to authorizing an electrical corporation to collect new program costs related to transportation electrification in customer rates. If market barriers unrelated to the investment made by an electric corporation prevent electric transportation from adequately utilizing available charging infrastructure, the commission shall not permit additional investments in transportation electrification without a reasonable showing that the investments would not result in long-term stranded costs recoverable from ratepayers.”

SB 350 also amended Public Utilities Code §740.8 to state:

As used in Section in Section 740.3 or 740.12, “interests” of ratepayers, short- or long-term, mean direct benefits that are specific to ratepayers, consistent with both of the following:

- a) Safer, more reliable, or less costly gas or electrical service, consistent with Section 451, including electrical service that is safer, more reliable, or less costly due to either improved use of the electric system or improved integration of renewable energy generation.
- b) Any one of the following:
  - 1) Improvement in energy efficiency of travel.
  - 2) Reduction of health and environmental impacts from air pollution.
  - 3) Reduction of greenhouse gas emissions related to electricity and natural gas production and use.
  - 4) Increased use of alternative fuels.
  - 5) Creating high-quality jobs or other economic benefits, including in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.

Due to the enactment of the transportation electrification issues in SB 350, this Rulemaking on AFV should be amended to incorporate the transportation electrification issues, and to address AFV segments in addition to light duty vehicles. The assigned Commissioner and the staff of the Commission have begun the process of consulting with the representatives from the ARB, and the Energy Commission, to gather information and to share ideas on how these transportation electrification applications can have the greatest impact on the findings and declarations set forth in Public Utilities Code §740.12(a).

Specifically, this Rulemaking will lay the groundwork for a ruling directing the electrical corporations to file applications for programs and

investments to accelerate widespread transportation electrification in the light-, medium-, and heavy duty vehicle sectors, or other sources of air pollution and greenhouse gas emissions. This groundwork will consist of two things. First, Commission staff will continue to meet with the ARB and the Energy Commission to develop ideas on what types of applications should be filed, and to conduct a workshop on what the respective agencies are doing with respect to transportation electrification issues, and to develop ideas as to what type of applications should be filed. Second, the parties are invited to file written comments after the workshop on what type of guidance the Commission should provide electrical corporations in directing the utilities to file applications for transportation electrification programs and investments.

This workshop is being planned for April 29, 2016 at 10:00 a.m. at the Commission's headquarters in San Francisco. This workshop will discuss and provide guidance on the various transportation electrification issues that are to be addressed in the SB 350 transportation electrification applications, as well as related topics. There will be presentations by the ARB, the California Energy Commission, and other agencies about their respective transportation electrification efforts and initiatives, as well as presentations from the electric utilities, and other interested participants. There will also be an opportunity for workshop participants to provide feedback at the workshop on these issues, including feedback on the application guidance straw proposal that is attached to this ruling as Appendix A.

Following the workshop, parties to this Rulemaking may file opening and reply comments on the questions in Appendix B, which is attached to this ruling, and the issues discussed at the workshop. The opening comments shall be filed with the Commission's Docket Office on or before May 18, 2016, and reply

comments filed on or before May 31, 2016. The opening comments and reply comments shall also be served on the service list.

Subsequently, an Assigned Commissioner Ruling will be issued that provides guidance regarding the types of programs and investments the electrical corporations should file in their transportation electrification applications.

The transportation electrification applications that are filed in response to this decision will then be processed in their respective applications.<sup>7</sup>

### **3. Remaining Issues From R.09-08-009 and July 16, 2014 Scoping Ruling**

There are a number of issues that are still unresolved. This amended scoping memo addresses how those remaining issues will be resolved.

In the two decisions addressing the light duty EV infrastructure pilot programs of SCE and SDG&E, the Commission addressed most of the overlapping issues in both this Rulemaking and in the utilities' respective applications. In particular, D.16-01-023 and D.16-01-045 addressed the following issues that were stated in the July 16, 2014 scoping ruling:

- AFV Guiding Principles were adopted in both pilot programs.
- In D.14-12-079, and in these two decisions, the Commission allowed the electric utilities to have an increased role in PEV infrastructure deployment as long as certain conditions are met. In addition, D.16-01-023 and D.16-01-045 addressed markets that are underserved or where the market for the development of EV charging infrastructure has not occurred.

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<sup>7</sup> Whether or not these new applications should be consolidated with each other, and/or with this Rulemaking, is something the utilities or other parties can raise after the applications are filed.

- Education and outreach efforts are part of the activities that are to take place in both pilot programs.
- For SDG&E's pilot program, a VGI rate is to be used instead of a demand charge. For SCE's pilot program, a time of use (TOU) rate is to be used.
- To identify best practices and lessons learned, both pilot programs will be monitored and evaluated regularly.
- For both SDG&E and SCE, it is expected that the pilot programs will result in a more efficient use of grid resources.
- For both SDG&E and SCE, after the pilot programs generate results and data from initial deployments, they will be assessed for costs and benefits pursuant to Public Utilities Code § 740.8 to inform future utility programs that target EV adoption through the provisioning of infrastructure.
- Over the long term, both the SDG&E and SCE applications are expected to reduce greenhouse gas emissions, decrease petroleum consumption, and reduce environmental health costs.
- The SDG&E VGI pilot's rate options, and the SCE pilot's TOU rates and demand response capabilities, are expected to incentivize PEV owners to recharge during times that are consistent with grid capacity and infrastructure constraints.
- The SDG&E and SCE pilot programs focus on the VGI Use Case 1 of unidirectional power flow with one resource and unified actor objectives.
- Both the SDG&E and SCE pilot programs require extensive data and analysis to be included in the evaluation reports.

As the SDG&E and SCE pilot programs come on line, it is expected that the answers to some of the questions set forth in the statement of issues and the



Phase 2 issues that are contained in the July 16, 2014 scoping ruling, will become better known.

In addition, some of the residential and workplace rate design issues have been considered in the SDG&E and SCE pilot programs, and will be evaluated once these pilot programs are operational. These pilot programs will provide data on charging behavior, the impact on the grid through incentivizing PEV charging to be optimized with grid constraints, and the extent to which the management of EV charging loads will reduce the need for distribution upgrades.

With respect to medium and heavy duty vehicles, the Rulemaking recognized that transit agencies have raised concerns about the effect of demand charges, and whether those costs will reduce the economic value to use electric buses in their fleets. The Commission's previous resolution to advice letters submitted prior to R.13-11-007<sup>8</sup> extended to government-owned or operated zero emission transit buses a temporary eligibility to instead use TOU rates. This three-year eligibility for TOU rates in lieu of rates with demand charges will close mid-2016 for the first transit agencies that exercised this option.

The ARB is planning to hold a public workgroup meeting on advanced clean transit and electric utility issues on April 8, 2016 at which the Commission's Energy Division will participate. The issue of demand charges, and the impact on transit agencies, will be discussed at that workgroup meeting.<sup>9</sup>

As part of the consultation process contained in SB 350, the ARB will brief the parties at the April 29, 2016 workshop on the transit-related transportation

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<sup>8</sup> See Resolutions E-4514 (SCE) and E-4628 (PG&E).

<sup>9</sup> For information about the ARB workgroup meeting, see <http://www.arb.ca.gov/msprog/bus/utwg160408agenda.pdf>.

electrification issues that are raised in the April 8, 2016 ARB workgroup meeting. The issues raised in the ARB April 8, 2016 workgroup meeting, and the April 29, 2016 workshop, can then inform the application guidance ruling through the comment process.

With respect to other rate design and cost allocation issues that may arise, those issues will either be addressed in the context of the applications that are filed with the Commission, or will be deferred to a future decision in this rulemaking.

For example, broad policy considerations for VGI should be addressed in a manner that is consistent across utility territories. Providing this certainty can allow drivers, automakers and equipment manufacturers, third-party aggregators, and other market participants to make decisions to develop and/or adopt vehicles and charging infrastructure efficiently. Issues including potential valuation and assessment, the definition of PEV resources among other Distributed Energy Resource initiatives, coordination of state and federal research investments, leveraging of pilot project results, demand charges, and interoperability and communication standards that affect controlled charging (V1G) and vehicle-to-grid (V2G) capabilities will be considered in the Rulemaking. However, utility-specific considerations including, but not limited to, needs assessments, rates, infrastructure investments and other programs can be addressed in the context of the individual applications.

To facilitate the coordination of R.13-11-007 with other Commission proceedings related to EVs and distributed energy resources, we will require the large electric utilities to serve an updated Joint Statement of Related Proceedings on the service list in this Rulemaking. This update shall be served by April 8, 2016.

With respect to the PEV submetering protocol that was ordered initially in D.11-07-029, PG&E, SCE, and SDG&E are currently conducting the pilots ordered in D.13-11-002. The Energy Division will convene a workshop on April 12, 2016 to discuss the results of Phase 1 of the submetering pilot, and the drafting of tariffs used in Phase 2. Any formal Commission action on PEV submetering will be deferred to a future decision in this Rulemaking as the protocol relates to energy consumption issues for VGI, the Low Carbon Fuel Standard, and other potential state electric transportation programs.<sup>10</sup>

The issue of cost allocation, including load research reporting, and the common assignment of individual customer costs in excess of the allowances defined in the utilities' electric Rule 15 (Distribution Line Extensions) and Rule 16 (Service Extensions), will be deferred to a future decision in this Rulemaking.<sup>11</sup> In addition, the issues related to the Power Charge Indifference Adjustment changes, and Bundled Procurement Plan assumptions, will also be deferred to a future decision in this rulemaking.

#### **4. Education and Outreach**

On November 19, 2015, the GPI and the Joint Minority Parties filed a Joint Motion requesting that the Commission open a new track in early 2016 that focuses on education and outreach for increasing EV adoption. The Joint Motion contends that the larger and more pervasive barrier to EV adoption is not the lack of charging stations, but rather an insufficient awareness, education and outreach program, and the relatively high initial cost of EVs.

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<sup>10</sup> The Commission's implementation of regulations related to the ARB's Low Carbon Fuel Standard program are currently scoped in Track 2 of R.11-03-012.

<sup>11</sup> In D.13-06-014, the Commission extended until June 30, 2016, the interim policy adopted in D.11-07-029 of allowing PEV charging costs in excess of the allowances in Rules 15 and 16 to be treated as common facility costs.

In support of the Joint Motion, GPI and the Joint Minority Parties contend that in order to reach the Governor's mandate for at least 1.5 million ZEVs to be on the road by 2025, that there needs to be a sustained increase in the sales of EVs. In order to meet the Governor's goal, GPI and the Joint Minority Parties contend that more awareness, education and outreach about EVs is needed because various polls and other documents demonstrate "that the general awareness of the benefits and cost advantages of EVs is very low." (Joint Motion, at 7.)

The Joint Motion at page 14 also contends that although the July 16, 2014 scoping ruling stated that Phase 1 would take "comment on near-term, low cost solutions to accelerate the electric vehicle market including the education and outreach needs to support further electric vehicle adoption," there has not been any opportunity to comment on the education and outreach issues in this Rulemaking or in the consolidated A.14-04-014 proceeding.

Responses to the Joint Motion were filed by SDG&E, SCE, ChargePoint, Inc. (ChargePoint), Marin Clean Energy, and The Utility Reform Network (TURN). A reply to the responses to the Joint Motion was filed by GPI and the Joint Minority Parties.

ChargePoint, Marin Clean Energy, and TURN support the position of GPI and the Joint Minority Parties to have this Rulemaking address education and outreach on EVs.

Instead of a massive ratepayer funded education and outreach program, TURN favors a targeted statewide program that would take over the EV education and outreach being performed by the utilities. TURN also favors that this education and outreach program be administered by a third party, and that

the funding come from the current education and outreach funding by the utilities, as well as possible funding from the cap and trade revenues.

Both SDG&E and SCE agree that education and outreach efforts are needed to increase EV adoption. However, they do not believe that opening a separate track in this Rulemaking is the way to accomplish that. The utilities also point out that their pilot programs already have an education and outreach component, and that such efforts are also included as part of the revenue requirement in general rate cases, as well as the activities authorized by D.11-07-029.

We have considered the Joint Motion, and all of the associated pleadings. There is no need in this Rulemaking to establish a separate track for education and outreach on EV issues. There are several reasons why a separate track for such efforts is not needed. First, the pilot programs authorized for SDG&E and SCE already have their own education and outreach components. Second, the efforts of Charge Ahead California Initiative are continuing, which seeks to place into service at least one million ZEVs and near-ZEVs by January 1, 2023, and to encourage the use of such vehicles due to the environmental and societal benefits. (*See* Health and Safety Code §44258.4.) The Joint Motion fails to mention the education and outreach efforts by the Charge Ahead California Initiative. Third, the Joint Motion and the associated pleadings ignore the advertising efforts by the manufacturers of EVs. Fourth, the electric utilities already receive funding in their general rate cases for education and outreach efforts as part of their low emission vehicle efforts. In SDG&E's case, such efforts include making appearances at street fairs to educate consumers about EVs. In SCE's case, the Commission authorized broader education and advisory programs. In PG&E's case, educational programs are also being proposed. Fifth,

as pointed out by the utilities, D.11-07-029 defined the role that the utilities should have in education and outreach. In D.11-07-029, the Commission stated that the utilities should pursue a targeted outreach effort, instead of a mass marketing effort. And sixth, the transportation electrification applications that will be filed in the future may contain education and outreach activities as part of the proposed programs and investments that the electric utilities are planning to make.

We also note that the parties to the consolidated A.14-04-014 and R.13-11-007 proceedings had the opportunity to respond to SDG&E's EV testimony on its proposed education and outreach efforts, and to cross-examine the SDG&E witnesses on those issues. SDG&E's proposed education and outreach efforts were specifically set forth in Exhibit SDG&E-2, the testimony of SDG&E witness Schimka.<sup>12</sup> In the September 29, 2016 scoping ruling, the scope of issues that were to be litigated in the consolidated proceedings included the reasonableness of SDG&E's proposed program design and program cost.

Based on all the above reasons, the Joint Motion filed by GPI and the Joint Minority Parties is denied.

## **5. Procedural Schedule**

As set forth in today's amended scoping ruling, the procedural schedule going forward shall be as follows:

<b>Event</b>	<b>Date</b>
Issuance of amended scoping memo	March 30, 2016.

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<sup>12</sup> As part of the Phase 1 statement of issues in the July 16, 2014 scoping ruling, the ruling stated the Phase 1 would consider "What education and outreach activities must the utilities provide to support further customer PEV adoption? What existing resources are available for these activities and what additional resources are needed? Those issues were addressed in Exhibit SDG&E-2 at 6-7, and 16-17.

<b>Event</b>	<b>Date</b>
and ruling.	
ARB Electric Utility Workgroup Meeting on Advanced Clean Transit.	April 8, 2016.
PG&E, SCE, and SDG&E serve an updated Joint Statement of Related Proceedings on the R.13-11-007 service list.	April 8, 2016.
Commission workshop on PEV Submetering Pilot.	April 12, 2016.
Commission workshop, in collaboration with the ARB and Energy Commission, on transportation electrification issues raised by SB 350.	April 29, 2016.
Written comments to be filed on the transportation electrification workshop.	Opening comments to be filed and served by May 18, 2016, and reply comments to be filed and served by May 31, 2016.
Assigned Commissioner ruling inviting transportation electrification applications.	Third quarter of 2016.
Ongoing pilot programs and submetering activities, and monitoring and reporting.	Ongoing through 2016 and 2017.
Additional rulings and decisions on outstanding issues.	To be determined in 2016 and 2017.

It is expected that this Rulemaking will be completed within 18 months from the date this amended scoping ruling is issued.

## **6. Categorization and *Ex Parte* Rules**

In the July 16, 2014 scoping memo and ruling, the categorization of this Rulemaking was confirmed as Quasi-legislative. Then in the September 29, 2014 scoping ruling, some of the overlapping issues in both A.14-04-014 and this Rulemaking were categorized as ratesetting. A.14-04-014 was subsequently closed by D.16-01-045. Since none of the issues identified as within the scope of this amended scoping ruling requires hearings, and because A.14-04-014 was closed, the categorization of this Rulemaking is quasi-legislative.

Since this Rulemaking is categorized as quasi-legislative, *ex parte* communications in this Rulemaking are permitted without any restrictions as provided for in Public Utilities Code § 1701.4 and Rule 8.3(a) of the Commission's Rules of Practice and Procedure.

## **7. Presiding Officer**

Pursuant to Rule 13.2(c), and the reassignment notice that was issued on April 24, 2015, Carla J. Peterman is the presiding officer in this proceeding, and John S. Wong is the assigned Administrative Law Judge.

**IT IS RULED** that:

1. The transportation electrification issues set forth in Senate Bill 350 (Chapter 547 of the Statutes of 2015) are added to scope of issues in the Order Instituting Rulemaking 13-11-007.
2. The Senate Bill 350 transportation electrification issues, and the remaining issues in Order Instituting Rulemaking 13-11-007, will be addressed in accordance with the procedural schedule set forth in this amended scoping memo and ruling.
3. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, shall by April 8, 2016, serve a joint or



individual update to the Joint Statement of Related Proceedings on the service list in Order Instituting Rulemaking 13-11-007.

4. Following the April 29, 2016 workshop, parties to this Order Instituting Rulemaking may file and serve their opening and reply comments on the questions posed in Appendix B of this ruling, on May 18, 2016 and May 31, 2016, respectively.

5. The November 19, 2015 “Joint Motion for A New Track Focused on EV Education and Outreach” that was filed by the Green Power Institute and the Joint Minority Parties, is denied.

Dated March 30, 2016, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman  
Assigned Commissioner

/s/ JOHN S. WONG

John S. Wong  
Administrative Law Judge

## **Appendix A: SB 350 Transportation Electrification Application Guidance Straw Proposal**

### **General Guidance**

1. Applications should propose 2-5 year pilots and/or programs with associated budgets.
2. Initiatives may be regional or statewide, but must consider regional transportation conditions and plans and leverage federal funds.
3. Applications must:
  - a. Minimize cost and maximize benefit.
    - i. Account for ratepayer interest as defined in Section 740.8.
    - ii. Protect/promote competitive markets and complement private investments.
    - iii. Prioritize sectors with high emissions reduction potentials.
      1. Consider potential for technology maturation and market transformation.
      2. Leverage natural turnover and high-impact decision makers.
  - b. Align with California policies.
    - i. Complement, inform, and coordinate with existing state agency initiatives at the California Energy Commission (CEC) and ARB (and other agencies), Governor's Executive Orders (B-16-2012, B-30-15, and B-32-15)/International ZEV Alliance, and CAISO initiatives, specifically:
      1. Coordinate with Regional Plans (SB 375, Fixing America's Surface Transportation "FAST" Act) & Infrastructure Readiness Plans (AB 8, AB 118).
      2. Coordinate with standardization efforts (SB 454, P.U. Code 740.2).
      3. Coordinate with other SB 350 initiatives, the California Vehicle-Grid Integration Roadmap, and CAISO distributed resource proceedings (e.g. ESDER, DERP).
      4. Coordinate with CEC and ARB research and forecasting initiatives, demonstration and pilot programs, and outreach and education activities.

5. Promote diversity in customer and community access, economic development, and supply chain development (SB 1275, SB 535, CPUC and CEC's supplier diversity goals).
- ii. Complement, inform, and coordinate with other CPUC initiatives.
  1. E.g., Integrated Resource Plans, Distributed Resource Planning, Integration of Distributed Energy Resources, Time-Of-Use, Energy Storage, Demand Response, Electric Program Investment Charge, etc.
- c. Fit with CPUC and IOU/core competencies and capabilities
- d. Ensure driver, customer, and worker safety.

(End of Appendix A)

## **Appendix B: Workshop Questions**

1. In what ways should the Application Guidance Straw Proposal in Appendix A of this Scoping Memo be modified to better align with the mandates of SB 350?
2. In light of current industry development and technology availability, should the Commission focus on particular transportation sectors or market barriers (e.g., light, medium or heavy duty vehicles, fuel types, or specific applications), and why?
3. What needs for standards development, research and development, or pilot projects exist that should be addressed by the Commission? What ongoing initiatives may be ready for increased scale?
4. What should the application guidance ruling consider about the issues raised in the ARB workgroup meeting of April 8, 2016, and the issues raised at the April 29, 2016 workshop?

**(End of Appendix B)**